

## House File 255 - Introduced

HOUSE FILE 255

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### A BILL FOR

1 An Act relating to direct and indirect costs under the  
2 statewide preschool program for four-year-old children and  
3 including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 256C.4, subsection 1, paragraphs g and h,  
2 Code 2013, are amended to read as follows:

3 ~~g. For the fiscal year beginning July 1, 2011, and~~  
4 ~~each succeeding fiscal year, of~~ Of the amount of preschool  
5 foundation aid received by a school district for a fiscal year  
6 in accordance with section 257.16, not more than five percent  
7 may be used by the school district for the school district's  
8 costs of administering the district's approved local program.

9 ~~h. For the fiscal year beginning July 1, 2012, and each~~  
10 ~~succeeding fiscal year, of the amount of preschool foundation~~  
11 ~~aid received by a school district for a fiscal year in~~  
12 ~~accordance with section 257.16, not less than ninety-five~~  
13 ~~percent of the per pupil amount shall be passed through to~~  
14 If the students enrolled in a school district's approved  
15 local program receive the program's preschool instruction  
16 through or in conjunction with services provided to the  
17 students by a community-based provider for each pupil enrolled  
18 in the district's approved local program, the department's  
19 administrative rules and other requirements applicable to  
20 the provider and the school district's agreement with the  
21 provider shall allow payment for the provider's direct and  
22 indirect costs relating to the students. For the fiscal year  
23 beginning July 1, 2011, and each succeeding fiscal year, not  
24 more than five percent of the amount of preschool foundation  
25 aid passed through to a community-based provider may be used  
26 by the community-based provider for administrative costs. If  
27 the community-based provider is not subject to an annual audit  
28 in accordance with generally accepted accounting principles,  
29 the provider shall utilize processes which shall be recommended  
30 by the auditor of state to identify the provider's direct and  
31 indirect costs attributable to the students enrolled in the  
32 program.

33 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
34 immediate importance, takes effect upon enactment.

35 EXPLANATION

1     This bill relates to direct and indirect costs under the  
2 statewide preschool program for four-year-old children.

3     The bill amends current law in Code section 256C.4 that  
4 a limitation on administrative costs applies to the school  
5 district's costs. A requirement to pass through a percentage  
6 of the preschool foundation aid to community providers is  
7 modified by the bill. If the students enrolled in a school  
8 district's approved local preschool program receive the  
9 program's preschool instruction through or in conjunction with  
10 the services provided to the student by a community-based  
11 provider, the department's administrative rules and other  
12 requirements applicable to the provider and the school  
13 district's agreement with the provider are required to allow  
14 payment for the provider's direct and indirect costs relating  
15 to the students.

16     If the community-based provider is not subject to an  
17 annual audit in accordance with generally accepted accounting  
18 principles, the provider is required to utilize processes  
19 recommended by the auditor of state to identify the provider's  
20 direct and indirect costs attributable to the students enrolled  
21 in the program.

22     The bill takes effect upon enactment.